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ABSTRACT

Funds for York College, a small, church-affiliated liberal arts college in Nebraska, are primarily derived from many small contributions from private donors. The government has supplied funds for buildings and limited academic work. The major fund-raising activity has been a very successful annual fund drive, but York has been unable to obtain funds from foundations and corporations. It is recommended that York develop an adequate public relations system, which should bolster fund-raising, increase admissions, and allow the academic area to develop adequately. For York College to avoid serious financial difficulty, a system must be developed which will discourage deficit spending. A table is provided which identifies percentages of budget expenditures in the areas of student services, academic, physical plant, and other areas for fiscal year 1974-75. (NHM)

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ONE MAN'S

OPINION

JC 760 188

York
COLLEGE
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February 23, 1976

To Members of the York College Family:

Because I have sensed that many questions are being asked about our life here, I have prepared the following material for your consideration.

I hold myself totally responsible for the contents herein. No approval was sought for the information from anyone else. I hope you will think seriously about what is said here and apply it to your area of work for the college.

It is quite apparent to me that there will be some disagreements about what I have said, but that is in just the normal course of the thinking of all of us. Further discussion of any of these points will be welcome. Any additional facts will be welcome to be added to this paper. I am fully aware that there is absolutely no possibility for one person to have all the understanding and all the answers which may be asked about the complete picture of York College. These are simply my thoughts which I hope will trigger additional discussions and which will result in more good being accomplished by York College.

Sincerely in Christ,

Joe K. Alley
Executive Vice President

JKA:sls

Enclosure

ACCREDITED BY THE NORTH CENTRAL ASSOCIATION OF COLLEGES AND SECONDARY SCHOOLS

FINANCIAL SUPPORT FOR COLLEGES AND UNIVERSITIES

During the past eight years my job as development director has produced a new education for me. When I changed jobs in 1968 I knew practically nothing about the total picture of fund raising for a college or university.

The first two or three years of my work as development director were very difficult because I was in an area of critical importance for which I had no previous training. Throughout the past eight years I have applied myself to reading books and journals on the subject of fund raising and attending training sessions sponsored by either universities or private companies. For the past five or six years I have maintained membership in the American College Public Relations Association (now called the Council for Advancement and Support of Education). This membership has enabled me to attend national and regional meetings which put me in touch with specialists in fund raising, public relations and alumni relations. These specialists ranged from large universities such as the University of Kansas to small junior colleges, even smaller than Y. C.

Because of these experiences I have been able to glean knowledge about how universities and colleges are financially supported. This paper is being written to give an overview of financial support for mainstream higher education so that we can look at financial support for York College. It is not interested in discussing the financial support which comes from student tuition and fees or federal grants given for student support. The main concern is the element of financial support which provides the necessary amount for a college to operate other than what comes through students' hands.

First, when we look to state universities and colleges, we know that most of their financial support is derived from appropriations from state

legislatures. Depending upon which university or college you look at, you can find some public schools which receive support from alumni associations. However, most alumni associations of public institutions are mainly interested in providing programs for their own enjoyment such as overseas trips or dancing and drinking parties. A few state universities have established foundations which seek funds from private individuals and corporations. There is a trend developing among state universities and colleges to adopt fund raising methods which private and independent colleges have used for years. They are setting up wills and bequests programs and having fund raising programs from individuals within their own cities and communities. This has been brought about by the declining amounts which have been appropriated by state governments. In some definite respects we can see a competition for the dollar growing more and more between public colleges and independent colleges.

Independent (private) universities and colleges have traditionally raised most of their financial support from their alumni, foundations and corporations. The older schools have developed and maintained extensive programs to develop and cultivate their alumni for large gifts. This can be seen in schools and colleges such as Abilene Christian College which is now able to raise millions of dollars from their alumni. Former president Don Morris had the great ability to understand the meaning of fund raising and to direct ACC in the direction of setting itself up to develop to the point where it is today. Many of the older independent colleges and universities put forth strong efforts to build endowments to provide significant amounts of support for their yearly operations. Reports indicate today that some of the independent colleges and universities have had to dig into their endowments for financial amounts to keep their heads above water. Many of the older and more prestigious independent colleges and universities have built up a rapport with foundations which have given them large sums

of money for buildings and programs. Corporation support has provided a minor amount of financial support for independent colleges and universities.

With these points in view we can look at the sources of financial support for York College. Because of the youth (20 years) and location of Y.C. it has certain limitations which prevent it from raising funds from sources where other independent schools get their support. We are unable to get into foundations for any large amounts because of our status as a junior college and our youth as a college. We are unable to attract any strong corporation support because as a liberal arts junior college we are not training young people to serve the needs of any specific business or industry. Currently, we are receiving a few thousand dollars each year from businesses and industries in what is called their matching gift programs. The amount we receive depends upon how much their employees donate to the school. As yet we have been unable to attract any attention to Y.C. from larger foundations or the federal government for large grants.

The fund raising which we do is virtually limited to what most colleges and universities call the annual fund.

POINTING TOWARDS SUCCESS

As we look at York College, we sincerely believe that it came into our hands through the providential will of God. Twenty years of service has indicated that the Lord wants us to continue to provide Christian education here. Many people in York and elsewhere have indicated their admiration for the expansion work done on this campus. They have admired us as a "splinter group". Religiously we are not strong throughout this area. Some have been quite surprised that financial support has flowed to Y.C. from the southwestern and southeastern parts of our country. Also, some surprise has been expressed by college and university development directors that we, as a small college, have been able to raise as many dollars as we have. They specifically expressed surprise at the amounts we raise in what they would call the annual fund. When they look at our size, youth and the fact that we do not have a strong constituency in our immediate area they wonder how we have done it.

Older and larger independent colleges combine resources from foundations, corporations, alumni, parents of students, friends, government grants and endowments to get their yearly operating amounts.

Since York College has been unable to get large grants from foundations and the government it has had to rely upon either the church or individuals. Our policy has been that we will not ask the congregations to support us from their treasury. (Many church related independent colleges get annual appropriations from their national, regional or state governing body.) There is evidence that our school is able to raise more dollars working with individuals than we could with church treasuries. Therefore, we have been existing on gifts from individuals. They have been many, but small.

The fund raising history of York College has been an emerging process which has brought us to our present status. In the beginning the funds were

raised through personal solicitation and direct mail efforts. Later the York Christian Foundation was set up principally to gather funds from Christians in Texas. About 1967 a decision was made to contract with a professional fund raising firm to raise the great amounts needed for the newly developed expansion program. About a year later it became evident that this effort was a failure. The next emerging step was the establishment of the Y.C. Development Office and program. Since 1968 the campaign work started by the professional fund counselors has continued on an abbreviated scale. However, by the end of 1969 it became evident that this would not by itself supply the amount of funds needed.

In 1970 our Stability for the Seventies program originated. It was an effort to put together as many of the potential sources for funds that we could think of that would be feasible for York College. The stability program brought together the combined funds indicated on the following list. This program has produced the amounts of:

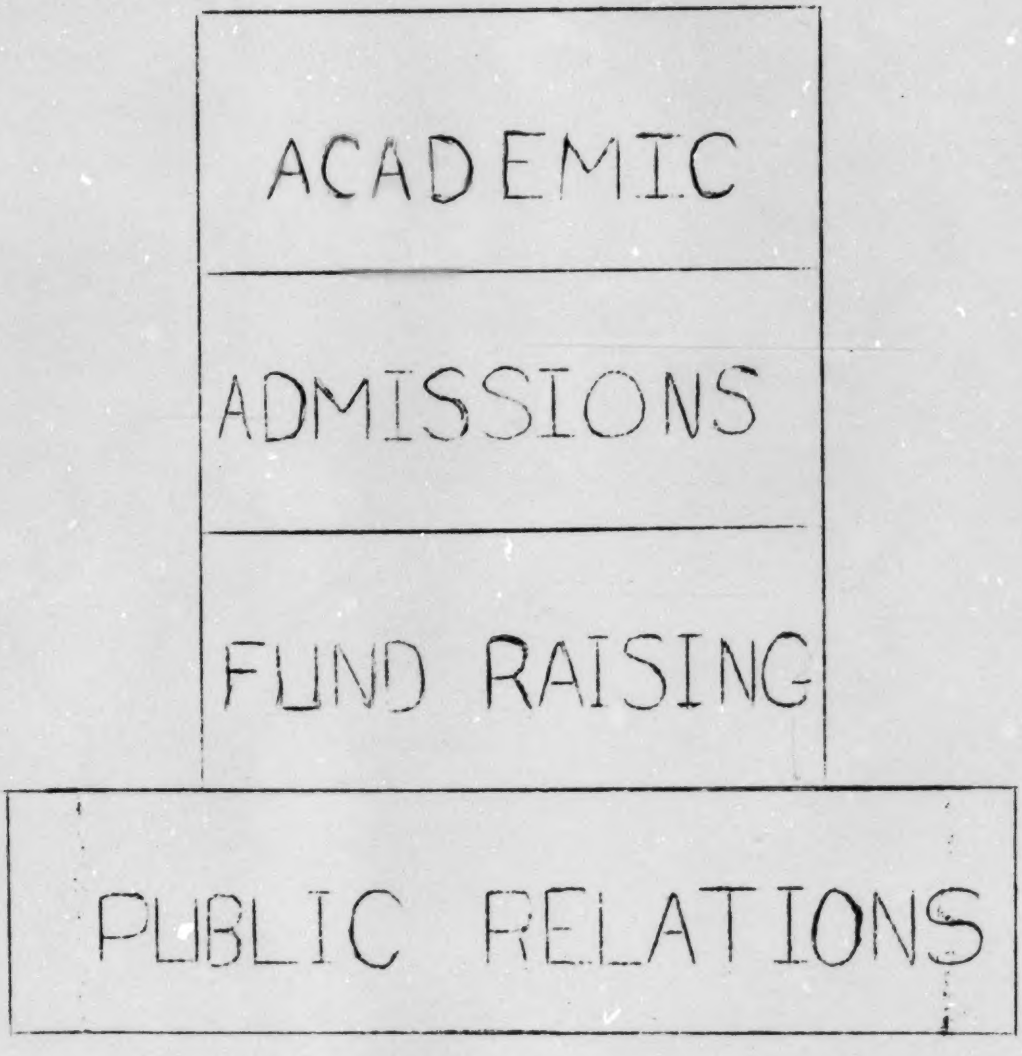
$303,967	1970-71
$286,692	1971-72
$389,948	1972-73
$428,910	1973-74
$380,954	1974-75

Yearly amounts have differed because of various elements which have come into the picture, i.e. the Gibson challenge, wills and bequests.

When we look at the fund raising potential of York College, indicators point to the amounts of $300,000 - $350,000 which we can realistically expect to obtain for any given year. When an unusual thing happens, the amount increases or decreases.

Because of our limited potential we are unable to do many of the things we feel are very necessary both in the upgrading of our academic program

and the proper maintenance of our buildings on campus. Again we can be reminded that there are those who look at us with admiration because we have been able to expand the facilities on campus. Except for McCloud Hall we regretfully must admit that our expansion for the most part has depended upon federal grants and loans. Some of the sources in HEW and HUD which we depended upon to acquire funds for buildings have dried up. This means that we will have to find money from other sources for future expansion on our campus. The stark question is: where are those sources?


ACADEMIC
ADMISSIONS
FUND RAISING
PUBLIC RELATIONS

NEEDED SUPPORT FOR ACADEMICS

In looking for the "raison d'etre" for Y.C., all of us who are associated with it will have a common agreement. It is to provide a means of educating and preparing young people for greater lives of service.

In order to achieve this purpose a clear understanding of the requirements to achieve the purpose should be understood. In our modern and complex society many influences have a bearing upon the achievement of such a purpose.

It must be an accepted fact that a well qualified faculty is provided. The faculty is at the forefront of fulfilling the purpose. The more qualified the faculty is, the more the purpose will be achieved. It is apparent that the Y.C. faculty, as a whole, is capable of meeting the necessities for the purpose. However, it is becoming more clear each year that the lack of funds for the academic area is beginning to hamper the faculty in its ability to achieve the great purpose of York College.

This section is an explanation of what I believe is necessary for the total purpose of the college to be attained.

In looking at a college operation, a comparison can be seen between it and an army successfully winning the battle. There must be well trained, qualified and courageous men at the front. They have to bear a heavy load of the purpose, yet they cannot fight the battle alone. There must be behind the soldiers a well planned and managed logistics and general command. All of these parts cooperate to win the battle.

A successful college operation needs a very similar type of cooperation. The chart will indicate my understanding of what is necessary for the future successful operation of Y.C. At the top is the academic area which needs much strengthening in acquiring more updated equipment and supplies. In a figure, this will enable the faculty to fight a better battle, just like men

at the front, as they are supplied with better equipment.

Under the academic area are necessary areas which make it possible for academic success. Of prime importance is the admissions area. Today, the student market is much smaller than the "golden decade" of the 60's. We can remember a period during the mid-sixties when a necessary number of students enrolled with practically no effort from the admissions area. This happened in colleges and universities throughout our nation. The story is different today. There is competition for all prospective students. The prospective students for enrollment at Y.C. are usually approached by our brotherhood schools. They also have portunities to enroll at community colleges and other state schools. The successful work of our admissions area indicates that it is able to face the competition and win the battle for more students each year. Parenthetically, it may become necessary for Y.C. to look at itself and determine if it should stabilize its enrollment at something like the present number. Reports tell us that some of the large colleges and universities are holding their enrollment to a certain level. Whatever the case is for us, we must remember that a successful academic program depends upon both faculty and students. We give the admissions people the responsibility to get the students on campus so the academic work can be done.

Another prime area is our development work. Since most of our students cannot pay for the full cost of their education, we must acquire the funds from other sources. So far, York College has been able to successfully achieve its purpose by receiving minimal funds from the government and several thousand friends. The government has supplied funds for buildings and limited academic work. The many small gifts from friends have supplied the rest of the necessary operating funds. As far as I can see in our history we have been able to operate on what is today called an annual fund drive. Other colleges continue their work with the same things, plus receiving funds from

endowments, bequests, foundations, and corporations.

Our development activity is successful in its annual fund drive. We are able to raise more funds from this source than are other colleges our size, or even larger. Our weakness lies in our inability to get funds from foundations and corporations. So far we have not developed a program which has appealed to these two sources of funds. The planned giving activity (wills, bequests) shows the real strength we have for the future. The development work has three areas of concern. They are fund raising, alumni relations, and public relations.

As you can see, the chart indicates where I believe the public relations effort rests. It supports the fund raising, alumni relations, admissions and the academic area. Someone has said that the public relations work of a college is not the panacea for all college needs. Others have rightfully said that the faculty of a college is its best P. R. tool. However, the necessary widespread impact for the college needs to be supported by an active and strong P. R. effort. (Years ago a leader in a Dallas church made the statement, "Whoever yells the loudest, gets the support." He was referring to supporting church work in the mission field.) Because we do not have adequate public relations work, York College is hindered in its efforts for fund raising and admissions. In turn, the academic area is unable to develop as it should. Three years ago we made an abortive effort to set up an adequate P. R. program. There were indications that the college would receive much wider recognition. Since that time most of the things we began to do have ceased. We have very little press coverage for our athletic teams. Letters are not being sent to hometown newspapers of students to tell of their enrollment or honors received at York. We are very weak in supplying news releases to brotherhood papers. All in all, our P. R. thrust is very weak. Since 1970 it has been possible for me to be a member of the American College Public Relations Association. I have heard scores of speeches and read many pages from that organization, which

have taught me that the successful colleges in our nation have strong public relations departments.

In a bulletin received from Gonser Gerber Tinker and Stuhr in January 1976 the following statements were made:

"Public relations departments have been a part of colleges for most of this century, but the challenge of the next 25 years should compel colleges and universities to re-evaluate their public relations programs."

"What are needed are not techniques or gimmicks, but a public relations program involving the entire institution, beginning at the top, and reaching out to all the college's constituencies and interested publics."

As increasing pressures are coming against independent higher education, I am firmly convinced that the future of York College depends upon a strong bequest program, a continuing annual fund, a strong admissions effort, along with a strong public relations program. A strong public relations program can only come when we organize a qualified public relations program with personnel who are trained to accomplish the task.

DEFICIT OPERATION SPENDING AND YORK COLLEGE

No doubt, every college in the U. S. has looked at the question of deficit spending sometime in its history. Some have looked at it more often than others. Many of those which have looked at their own deficit spending during most of their history are now looked back upon as history. They no longer exist.

York College can swing her eyes around and see within Iowa where two colleges recently went under because of financial difficulties. She can roam her eyes around in Nebraska and see the remains of three colleges which had the same fatality. For most of the five colleges which failed, statements have been made about the huge amounts of indebtedness which arose and the colleges could not continue to live with them. The term 'deficit spending' became a large part of their language year by year until it was too late for them to continue.

As York has looked at her expansion plans and followed them year by year, she has had the term "deficit spending" as a part of her language. A checking of the yearly financial reports will show the times when deficit spending occurred on our campus. As we look closely at ourselves we find that we have done deficit spending seven out of the last ten years.

A discussion of the feasibility of deficit spending by Y.C. has come up on numerous occasions by trustees and administrators. Some have favored it and some have not.

Various segments of the campus life have suffered because of our times of deficit spending. Perhaps the academic area has been the one needing more health than any other. One person said that our academic work is twenty-five years behind (meaning that of up-to-date colleges).

For more than ten years we have been expanding the facilities of the college. Out of four major buildings built, only one was paid for in a reasonable amount of time. The other three will be not only our problem, but will be the next generation's problem. That is, unless we find other larger sources of income to pay off the long term indebtedness. During this period of time, we also saddled ourselves with the responsibility to pay off a $250,000 bond issue. Larger and larger amounts were thereby added to our operational budget.

These expansion strides have looked good as the new buildings took shape. But sometimes we did not think completely about what the new buildings meant to the yearly budget. As each building was finished, more and more of our dollars were funneled into payments of interest, principle, maintenance and utilities. In order to have and enjoy the buildings, other segments of campus life suffered for lack of funds.

Twenty-eight years ago a banker friend of mine told me that people get into financial trouble for a very simple reason. It is when they spend out more than they take in. That is deficit spending.

The grim plight of New York City has been discussed thoroughly by the news media. The fact that New York had gone so far into deficit spending brought it to the brink of financial failure. The federal government had to step in - and that is taking dollars out of my pocket and yours to rescue a city. A front page lead article in the October 24, 1975, Omaha World Herald carried this statement. "Independently, the nonpartisan Congressional Budget Office reported, 'Clearly New York officials are guilty of irresponsible budget behavior, of spending more than they were receiving...'"

The April 21, 1975, issue of The Chronicle of Higher Education carried an article about a Carnegie Foundation report. Part of the article was:

"The foundation recommended:

--Analysis of the institution's present situation and reexamination of

planning assumptions that may be patently invalid for the institution's future."

"One example common in private institutions," the report said, "is the assumption that deficits can be projected in the future planning on the premise that they can be eliminated by future income growth."

Dr. Westerburg, then president of Kendall College, was our consultant in our self study program. During the second study he was in my office one day discussing our fund raising program. I asked him what was his judgment as to how long a college like York should continue deficit spending in its operation. His reply was, "Not more than two years at a time and it must know where the money is to pay for the deficit amounts."

The period of inflation our nation is in causes most of us to evaluate where we are financially. When we find we have over extended ourselves in relation to our income, we see quite well the need to cut back and bring our situation under financial balance and control. We have to "bite the bullet" just like many institutions of higher learning have had to do.

All of us in the York College family need to realize that our program of building new buildings and adding new programs of work have produced heavy pressure on our budget. With the current potential amount which can be raised by the development department only from $300,000 to $350,000 can yearly be expected. As our Planned Giving program develops, we can expect reasonable and hopefully substantial increases to our yearly potential. In three more years we should see the increase coming our way. With our new buildings and new programs we can act sacrificially and continue the good work and influence which has characterized our first 20 years of service.

A guard against deficit spending must be supported so we can escape the fate of many private colleges as they closed their doors because of a lack of funds.

The fact that we have operated for twenty years gives evidence to the

belief that God has blessed our labors and answered many of our prayers. We have walked by faith, but at times we have come close to tempting God. By reasonably walking by faith we can expect the continued blessings of God. Join me in the prayer that God will save and continue to bless Y.C. in spite of our years of deficit spending.

WHERE DID THE $'s GO, 1974-75?

In a budget committee meeting last year one member asked the question, "How much of the total budget went into the academic area last year?" This triggered my curiosity, and I had the business office make a report to show the percentages of the major areas of work.

Total revenues for that period came to $1,155,937.55. The following listing will give us an idea of where the dollars went in that fiscal year.

Student Services

Area	% of actual expenditures to total expenditures
Student Services	2.50
Scholarships	6.80
Student Aid	6.46
Athletics	1.45
Dormitories	5.50
Cafeteria	9.11
Vending Machines	.45
Student Center	1.26
Bookstore	3.78
	37.32

Academics

Curriculum Departments	13.64
Library, Audio Visuals, NETCHE	4.88
	18.52

Plant

Operation and Maintenance	9.80
Debt Retirement	6.55
General Insurance Expense	5.36
Rental Property	1.89
	23.60

Other

Development (Public Relations, Alumni Relations, Fund Raising)	8.76
Admissions	4.46
	13.22

General Administration

President's Office, Dean-Registrar's Office, Business Office 7.34

There are interesting points in these figures. First, in student services, I put together all the parts which have a direct bearing on the student as far as their upkeep and morale is concerned. You may see some different ways to classify the items. Second, it will be noticed that more than three-fourths of the budget went into the care and instruction of the students - student services, 37.32%, - plant, 23.60%, - academics, 18.52% (79.44%). The management and acquisition of students and funds accounted for 22.56%.

I wonder how these proportions would compare with other colleges our size. I wonder where we could divert funds from some areas to the academic area. I wonder what the realistic picture should be for York College today and in the near future.

Should we go out for more and more students to increase the enrollment? Where would we house the added number of students if a significant increase occurred? If we have to build more dormitories, where will the money come from? If growth in the number of students continues, where will we get the number of classrooms needed for instruction? Then, where would we get the dollars for the added personnel to take care of and instruct these added students?

Another vital question is, what will we do for/with the two buildings on campus which are rotting down? Hulitt Hall and McGehee Hall are slowly, but surely disintegrating. Our academic program depends mainly upon these two buildings. The near future must bring funds to repair these two buildings or they will be lost to our use.

A study is being made now as to how we can acquire more funds. To do so a new approach and outreach must be expected. By expanding the development staff with proper personnel, it is possible that we can open new sources of

income. The entire college family will need to be willing to show that we are all behind our work and sell the idea that York College is worth more support.

Well, even so, the Lord has blessed our labors for twenty years. Our prayers have been answered. If we will be willing to continue the work of sacrifice and hope for a brighter tomorrow, there is no way to measure what can be done through our efforts for Him.

To Him be all the glory both now and forever.